



AHCCCS does not cover the following:

1. Personal care items, unless needed to treat a medical condition. Exception: AHCCCS covers incontinence briefs for persons over 3 and under age 21 as described in Policy 430.
2. First aid supplies (except upon prescription by an authorized provider)
3. Hearing aids for members 21 years of age or older
4. Prescriptive lenses for members 21 years of age or older (except when medically necessary following cataract removal without an implanted lens)
5. Penile implants or vacuum devices for members 21 years or older.

Procedures. PA for supplies/equipment may be submitted via fax, mail or telephone. (See Policy 810 for addresses.)

In addition to information required for all PAs, specified in Policy 810 of this chapter, the following information must be supplied at the time of the PA request:

1. Name of ordering physician and description of medical condition necessitating the supplies/equipment
2. Medical justification for supplies/equipment and anticipated outcome (medical/functional)
3. Description of supplies/equipment requested, including manufacturer brand name, and product code
4. Duration for use of equipment and full purchase price plus any additional costs and expected cost if rented
5. Provider identification number and diagnosis code, and
6. Home evaluation, when requested by the AHCCCS/DFSM/PA Unit.



The procedure for a telephone request is:

1. After receiving the information outlined above, the AHCCCS/DFSM/PA Unit issues a provisional number to the provider
2. The provider must then submit the information in writing via mail or fax, and
3. Upon receipt of the PA request form with all required documentation, the PA number will be validated and a PA confirmation letter will be mailed to the provider.

The procedure for written (mail or fax) request is:

1. The provider must submit the information outlined above, and
2. Once received, information is assessed and PA confirmation letter is mailed to the provider, denying or approving services.

For members over the age of 21, requests for authorization of incontinence supplies must include the following information:

1. Diagnosis of a dermatologic condition or other medical/surgical condition requiring medical management by incontinence supplies as dressings
2. Defined length of treatment anticipated, and
3. Prescription for specific incontinence supplies.

O. NURSING FACILITY SERVICES

Description. Nursing facility (NF) services for FFS members are covered by AHCCCS for up to 90 days per contract year if the member's medical condition would otherwise require hospitalization. Per 9 A.A.C. 22, Article 2, in lieu of a NF, the member may be placed in an alternative living facility or receive home and community based services. PA is required for these services prior to admission of the member, except in those cases for which retroactive eligibility precludes the ability to obtain PA. However, the case is subject to medical review.

Refer to [Chapter 300](#), Policy 310, and [Chapter 1200](#) for complete information regarding covered long term care services.



Procedures. PA requests may be submitted via mail, fax or telephone. Initial PA will be for a period not to exceed the anticipated enrollment period of the FFS eligible member or what is determined as a medically necessary length of stay, whichever is shorter (not to exceed 90 days) and includes any day covered by Medicare.

Reauthorization for continued stay is subject to concurrent utilization review and continued eligibility.

AHCCCS/DFSM/PA Unit staff will request hospital personnel and/or NF staff, whichever is appropriate, to initiate an ALTCS application for possible coverage of nursing facility services if it is believed that the member will need a NF stay lasting longer than 90 days.

P. OBSERVATION SERVICES THAT EXCEED 24 HOURS

Description. Observation services are those reasonable and necessary services provided on a hospital's premises for evaluation to determine whether the member should be admitted for inpatient care, discharged or transferred to another facility. Observation services include: the use of a bed, periodic monitoring by hospital nursing personnel or, if appropriate, other staff necessary to evaluate, stabilize or treat medical conditions of a significant degree of instability and/or disability on an outpatient basis.

It is not observation status when a member with a known diagnosis enters a hospital for a scheduled procedure/treatment that is expected to keep the member in the hospital for less than 24 hours. This is an outpatient procedure, regardless of the hour in which the member presented to the hospital, whether a bed was utilized or whether services were rendered after midnight.

Extended stays after outpatient surgery must be billed as recovery room extensions.

Observation services must be provided in a designated "observation area" of the hospital unless such an area does not exist.

Refer to [Chapter 300](#), [Policy 310](#), for complete information regarding covered outpatient health services.



Procedures. The AHCCCS/DFSM/PA Unit must be notified when observation services extend beyond the 24 hour limit for fee-for-service members. Clear documentation must be presented in the medical record for the extension of observation status. Documentation must minimally include the following:

1. Physician Notes:
 - a. Condition necessitating observation admission
 - b. Justification of need to continue observation, and/or
 - c. Discharge plan.
2. Medical Records Documentation:
 - a. Orders for observation status must be written on the physician's order sheet, not the emergency room record, and must specify, "admit to observation". Rubber stamped orders are not acceptable.
 - b. Follow-up orders must be written at least every 24 hours.
 - c. Changes from "observation status to inpatient" or "inpatient to observation status" must be ordered by a physician or authorized individual.
 - d. Changes from inpatient to observation status must occur within 12 hours after the admission as an inpatient and have supporting medical documentation.

All observation services will be subject to medical review. Medical review for continued observation status will consider each case on an individual basis.